

Kern County Economic Forecast

Kern County is California's third largest county in land area (behind San Bernardino and Inyo counties). It covers more than 8,000 square miles and is larger than the states of Hawaii, Massachusetts, or New Jersey.

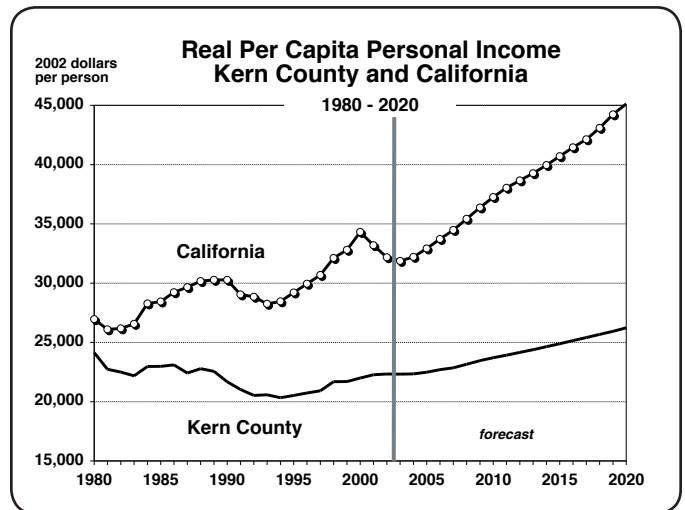
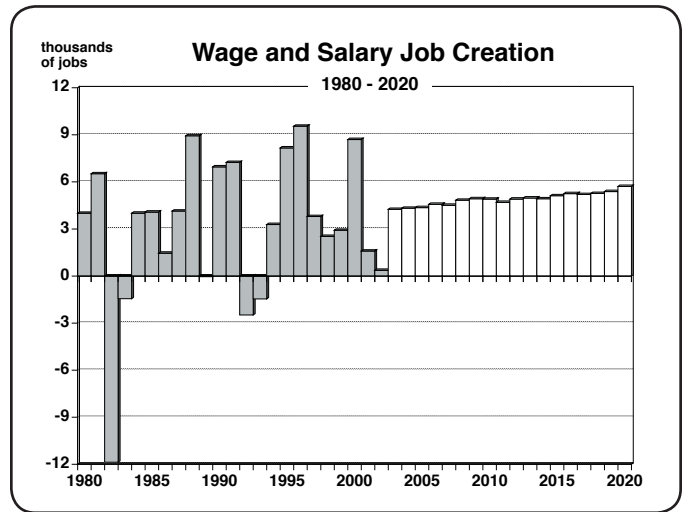
Agriculture is the third largest employer in Kern County, with 40,000 wage and salary workers representing 16.4 percent of the total employment. The agriculture industry appears to have reached a plateau in recent years. The annual total crop value, adjusted for inflation, has remained relatively constant since 1993. Farm employment is now declining. The farm workforce has dropped 20 percent since 1996.

Agriculturally oriented counties tend to have greater seasonal variations in employment and higher unemployment rates. The unemployment rate for Kern County during 2002 was 11.8 percent. As the non-farm economy grows over the next 5 years, the unemployment rate is expected to fall continuously.

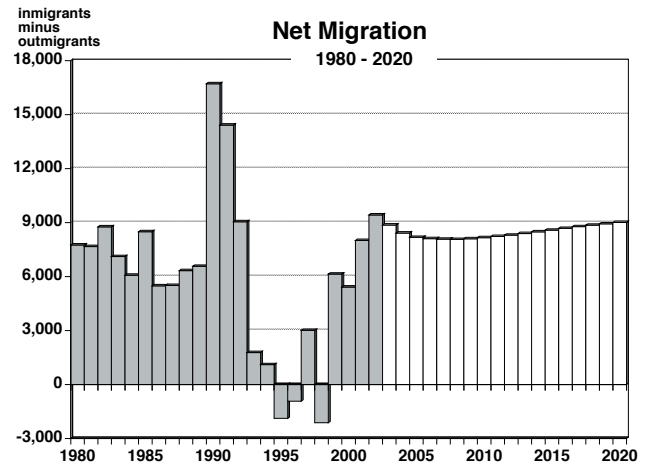
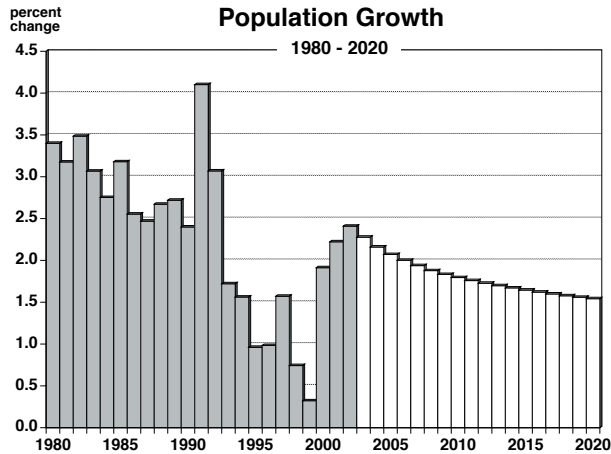
The local economy is becoming increasingly more diversified in light manufacturing, and value-added agriculture (i.e., food processing). Since mid-1995, Kern County has been the choice for key company re-locations due to accessible transportation routes, low labor costs, and especially affordable housing costs. The median home selling price of a home in Bakersfield in January 2003 was \$138,980. For all of California, the median selling price was \$336,740.

Forecast Highlights

- Total wage and salary job growth is projected to average 1.8 percent per year between 2003 and 2008. This rate is higher than the average 1.4 percent per year growth recorded from 1997 to 2002. However, jobs in the non-farm sector increase at an average annual 2.2 percent clip over the next 5 years.
- Employment in the services sector increases 3 percent per year, and government jobs rise 2.7 percent per year, over the next 5 years. Other sectors contributing new jobs to the Kern County economy include construction, finance, real estate, and retail trade.
- With the forecast decline of jobs in farming, the unemployment rate will move lower over the next 5 years. By the end of the decade, rates will fall to near all-time lows.



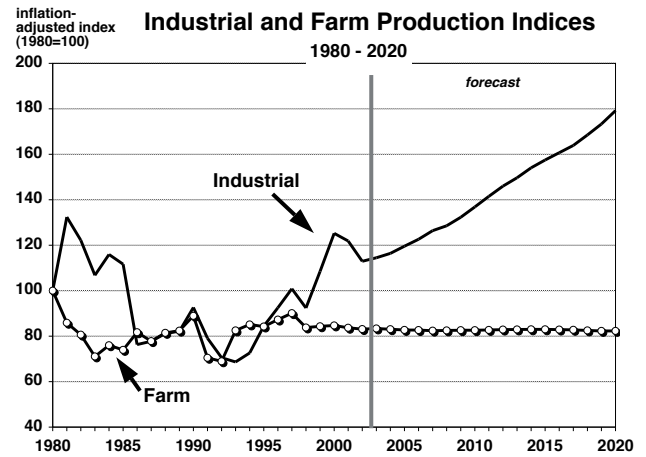
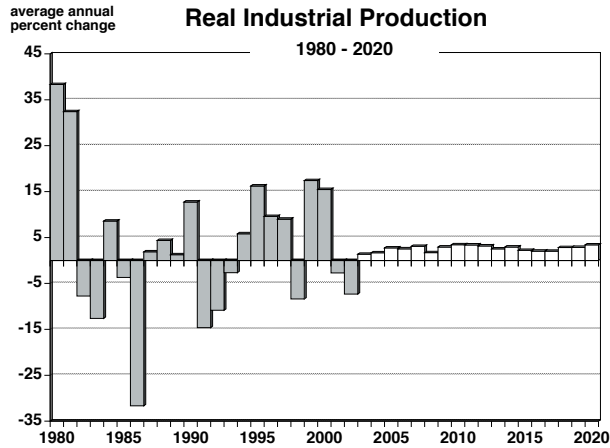
- Per capita incomes grow more slowly between 2003 and 2008. The average compound rate of growth is 0.74 percent. Average salaries adjusted for inflation improve an average rate of 0.5 percent per year.
- More housing is expected to be permitted and built in Kern County, because housing is affordable and net-migration is projected to increase. Additional production of housing will keep housing values contained. However, selling values of single-family homes are still expected to rise, averaging 1.6 percent per year in inflation-adjusted dollars between 2003 and 2008.



Kern County Economic Forecast

1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	630,300	-1,880	473	200	3,304	\$3.3	\$11.0	\$20,529	\$1,981	\$4.8
1996	636,500	-924	480	203	2,812	\$3.4	\$11.4	\$20,738	\$2,088	\$5.2
1997	646,500	3,011	457	206	2,637	\$3.6	\$11.9	\$20,918	\$2,191	\$5.7
1998	651,300	-2,124	481	209	3,453	\$3.7	\$12.6	\$21,686	\$2,068	\$5.2
1999	653,400	6,139	492	212	3,157	\$4.0	\$12.9	\$21,698	\$2,129	\$6.1
2000	665,900	5,419	514	208	3,060	\$4.5	\$13.8	\$21,992	\$2,209	\$7.1
2001	680,700	8,006	535	211	3,631	\$4.8	\$14.8	\$22,271	\$2,256	\$6.9
2002	697,100	9,427	552	214	4,881	\$4.9	\$15.6	\$22,331	\$2,302	\$6.4
2003	712,979	8,867	563	219	4,549	\$5.2	\$16.3	\$22,318	\$2,362	\$6.5
2004	728,380	8,419	571	223	4,475	\$5.5	\$17.1	\$22,346	\$2,411	\$6.6
2005	743,461	8,180	580	227	4,682	\$5.8	\$18.0	\$22,483	\$2,461	\$6.8
2006	758,338	8,108	590	232	4,727	\$6.1	\$18.9	\$22,704	\$2,520	\$6.9
2007	773,028	8,077	601	236	4,790	\$6.3	\$19.9	\$22,859	\$2,568	\$7.2
2008	787,541	8,064	613	241	4,787	\$6.6	\$21.0	\$23,158	\$2,630	\$7.3
2009	801,969	8,103	626	245	4,779	\$6.9	\$22.1	\$23,460	\$2,694	\$7.5
2010	816,359	8,162	639	249	4,770	\$7.2	\$23.3	\$23,703	\$2,761	\$7.7
2011	830,718	8,228	652	254	4,786	\$7.5	\$24.6	\$23,920	\$2,833	\$8.0
2012	845,061	8,302	665	258	4,822	\$7.8	\$25.9	\$24,163	\$2,911	\$8.3
2013	859,412	8,391	678	263	4,855	\$8.1	\$27.3	\$24,381	\$2,990	\$8.5
2014	873,773	8,485	691	267	4,880	\$8.4	\$28.7	\$24,639	\$3,064	\$8.7
2015	888,148	8,579	704	272	4,916	\$8.7	\$30.2	\$24,887	\$3,137	\$8.9
2016	902,540	8,679	718	277	4,912	\$9.1	\$31.8	\$25,155	\$3,213	\$9.1
2017	916,967	8,773	731	281	4,877	\$9.5	\$33.4	\$25,406	\$3,292	\$9.3
2018	931,434	8,854	744	286	4,831	\$9.9	\$35.2	\$25,677	\$3,363	\$9.5
2019	945,953	8,928	758	290	4,818	\$10.2	\$37.0	\$25,937	\$3,437	\$9.8
2020	960,544	9,009	771	295	4,836	\$10.6	\$38.8	\$26,227	\$3,516	\$10.1



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
214.9	42.1	8.5	10.9	9.6	9.0	41.3	5.9	40.3	47.3
224.5	49.6	8.2	10.5	9.8	9.2	42.2	6.3	41.3	47.3
228.3	49.0	8.8	10.4	9.6	9.9	42.6	6.6	43.0	48.2
230.8	46.5	9.9	9.1	9.9	11.0	42.8	7.2	45.6	48.8
233.7	44.9	10.0	8.2	9.7	11.2	44.5	7.3	47.5	50.3
242.4	48.3	10.9	9.0	10.5	11.3	44.4	7.3	49.1	51.6
244.0	41.8	13.2	8.9	11.3	11.2	44.8	7.8	51.5	53.6
244.4	40.2	13.6	7.8	10.8	11.1	45.2	8.0	52.5	55.2
248.6	39.8	13.9	7.8	10.8	11.1	46.0	8.3	54.1	56.6
252.9	39.4	14.2	7.7	10.8	11.2	46.9	8.7	55.8	58.1
257.3	39.0	14.5	7.7	10.8	11.3	47.7	9.1	57.5	59.7
261.9	38.7	14.7	7.7	10.9	11.4	48.6	9.4	59.2	61.4
266.4	38.3	14.9	7.6	10.9	11.5	49.4	9.8	60.9	63.0
271.2	38.1	15.0	7.6	10.9	11.7	50.2	10.2	62.8	64.7
276.1	38.1	15.1	7.6	11.0	11.9	51.0	10.5	64.8	66.2
281.0	38.0	15.2	7.6	11.0	12.1	51.8	10.9	66.8	67.7
285.7	38.0	15.3	7.6	11.0	12.3	52.5	11.3	68.6	69.2
290.6	38.0	15.4	7.6	11.0	12.5	53.2	11.7	70.7	70.5
295.6	38.1	15.4	7.6	11.0	12.8	53.8	12.1	72.9	71.9
300.5	38.2	15.5	7.6	11.0	13.1	54.5	12.4	75.1	73.1
305.6	38.2	15.6	7.7	11.0	13.4	55.1	12.8	77.5	74.4
310.9	38.2	15.7	7.7	11.0	13.7	55.7	13.2	80.2	75.6
316.1	38.1	15.8	7.7	11.0	14.1	56.3	13.6	82.8	76.7
321.4	38.0	15.9	7.7	11.0	14.4	56.9	14.0	85.7	77.9
326.7	37.8	16.0	7.7	11.0	14.8	57.4	14.3	88.8	79.0
332.5	37.6	16.0	7.7	11.0	15.1	57.9	14.7	92.1	80.2

